

SECOND REGULAR SESSION

HOUSE BILL NO. 2671

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE VAN SCHOIACK.

6338H.01I

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal sections 137.073, 137.079, and 137.115, RSMo, and to enact in lieu thereof three new sections relating to taxation of property.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 137.073, 137.079, and 137.115, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 137.073, 137.079, and 137.115, to read as follows:

137.073. 1. As used in this section, the following terms mean:

(1) "General reassessment", changes in value, entered in the assessor's books, of a substantial portion of the parcels of real property within a county resulting wholly or partly from reappraisal of value or other actions of the assessor or county equalization body or ordered by the state tax commission or any court;

(2) "Tax rate", "rate", or "rate of levy", singular or plural, includes the tax rate for each purpose of taxation of property a taxing authority is authorized to levy without a vote and any tax rate authorized by election, including bond interest and sinking fund;

(3) "Tax rate ceiling", a tax rate as revised by the taxing authority to comply with the provisions of this section or when a court has determined the tax rate; except that, other provisions of law to the contrary notwithstanding, a school district may levy the operating levy for school purposes required for the current year pursuant to subsection 2 of section 163.021, less all adjustments required pursuant to Article X, Section 22 of the Missouri Constitution, if such tax rate does not exceed the highest tax rate in effect subsequent to the 1980 tax year. This is the maximum tax rate that may be levied, unless a higher tax rate ceiling is approved by voters of the political subdivision as provided in this section;

EXPLANATION — Matter enclosed in bold-faced brackets [**thus**] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 (4) "Tax revenue", when referring to the previous year, means the actual receipts from
18 ad valorem levies on all classes of property, including state-assessed property, in the
19 immediately preceding fiscal year of the political subdivision, plus an allowance for taxes
20 billed but not collected in the fiscal year and plus an additional allowance for the revenue
21 which would have been collected from property which was annexed by such political
22 subdivision but which was not previously used in determining tax revenue pursuant to this
23 section. The term "tax revenue" shall not include any receipts from ad valorem levies on any
24 property of a railroad corporation or a public utility, as these terms are defined in section
25 386.020, which were assessed by the assessor of a county or city in the previous year but are
26 assessed by the state tax commission in the current year. All school districts and those
27 counties levying sales taxes pursuant to chapter 67 shall include in the calculation of tax
28 revenue an amount equivalent to that by which they reduced property tax levies as a result of
29 sales tax pursuant to section 67.505 and section 164.013 ~~[or as excess home doek city or
30 county fees as provided in subsection 4 of section 313.820]~~ in the immediately preceding
31 fiscal year but not including any amount calculated to adjust for prior years. For purposes of
32 political subdivisions which were authorized to levy a tax in the prior year but which did not
33 levy such tax or levied a reduced rate, the term "tax revenue", as used in relation to the
34 revision of tax levies mandated by law, shall mean the revenues equal to the amount that
35 would have been available if the voluntary rate reduction had not been made.

36 2. Whenever changes in assessed valuation are entered in the assessor's books for any
37 personal property, in the aggregate, or for any subclass of real property as such subclasses are
38 established in Section 4(b) of Article X of the Missouri Constitution and defined in section
39 137.016, the county clerk in all counties and the assessor of St. Louis City shall notify each
40 political subdivision wholly or partially within the county or St. Louis City of the change in
41 valuation of each subclass of real property, individually, and personal property, in the
42 aggregate, exclusive of new construction and improvements. All political subdivisions shall
43 immediately revise the applicable rates of levy for each purpose for each subclass of real
44 property, individually, and personal property, in the aggregate, for which taxes are levied to
45 the extent necessary to produce from all taxable property, exclusive of new construction and
46 improvements, substantially the same amount of tax revenue as was produced in the previous
47 year for each subclass of real property, individually, and personal property, in the aggregate,
48 except that the rate shall not exceed the greater of the most recent voter-approved rate or the
49 most recent voter-approved rate as adjusted under subdivision (2) of subsection 5 of this
50 section. Any political subdivision that has received approval from voters for a tax increase
51 after August 27, 2008, may levy a rate to collect substantially the same amount of tax revenue
52 as the amount of revenue that would have been derived by applying the voter-approved
53 increased tax rate ceiling to the total assessed valuation of the political subdivision as most

54 recently certified by the city or county clerk on or before the date of the election in which
55 such increase is approved, increased by the percentage increase in the consumer price index,
56 as provided by law, except that the [rate] **rates of levy for each subclass of real property, individually, and personal property, in the aggregate**, shall not exceed the greater of the
57 most recent voter-approved rate or the most recent voter-approved rate as adjusted under
58 subdivision (2) of subsection 5 of this section. Such tax revenue shall not include any receipts
59 from ad valorem levies on any real property which was assessed by the assessor of a county
60 or city in such previous year but is assessed by the assessor of a county or city in the current
61 year in a different subclass of real property. Where the taxing authority is a school district for
62 the purposes of revising the applicable rates of levy for each subclass of real property, the tax
63 revenues from state-assessed railroad and utility property shall be apportioned and attributed
64 to each subclass of real property based on the percentage of the total assessed valuation of the
65 county that each subclass of real property represents in the current [taxable] tax year. As
66 provided in Section 22 of Article X of the constitution, a political subdivision may also revise
67 each levy to allow for inflationary assessment growth occurring within the political
68 subdivision. The inflationary growth factor for any such subclass of real property or personal
69 property shall be limited to the actual assessment growth in such subclass or class, exclusive
70 of new construction and improvements, and exclusive of the assessed value on any real
71 property which was assessed by the assessor of a county or city in the current year in a
72 different subclass of real property, but not to exceed the consumer price index or five percent,
73 whichever is lower. ~~Should the tax revenue of a political subdivision from the various tax~~
~~rates determined in this subsection be different than the tax revenue that would have been~~
~~determined from a single tax rate as calculated pursuant to the method of calculation in this~~
~~subsection prior to January 1, 2003, then the political subdivision shall revise the tax rates of~~
~~those subclasses of real property, individually, and/or personal property, in the aggregate, in~~
~~which there is a tax rate reduction, pursuant to the provisions of this subsection. Such~~
~~revision shall yield an amount equal to such difference and shall be apportioned among such~~
~~subclasses of real property, individually, and/or personal property, in the aggregate, based on~~
~~the relative assessed valuation of the class or subclasses of property experiencing a tax rate~~
~~reduction. Such revision in the tax rates of each class or subclass shall be made by computing~~
~~the percentage of current year adjusted assessed valuation of each class or subclass with a tax~~
~~rate reduction to the total current year adjusted assessed valuation of the class or subclasses~~
~~with a tax rate reduction, multiplying the resulting percentages by the revenue difference~~
~~between the single rate calculation and the calculations pursuant to this subsection and~~
~~dividing by the respective adjusted current year assessed valuation of each class or subclass to~~
~~determine the adjustment to the rate to be levied upon each class or subclass of property. The~~
~~adjustment computed herein shall be multiplied by one hundred, rounded to four decimals in~~

91 ~~the manner provided in this subsection, and added to the initial rate computed for each class~~
92 ~~or subclass of property. For school districts that levy separate tax rates on each subclass of~~
93 ~~real property and personal property in the aggregate, if voters approved a ballot before~~
94 ~~January 1, 2011, that presented separate stated tax rates to be applied to the different~~
95 ~~subclasses of real property and personal property in the aggregate, or increases the separate~~
96 ~~rates that may be levied on the different subclasses of real property and personal property in~~
97 ~~the aggregate by different amounts, the tax rate that shall be used for the single tax rate~~
98 ~~calculation shall be a blended rate, calculated in the manner provided under subdivision (1) of~~
99 ~~subsection 6 of this section.]~~ Notwithstanding any provision of this subsection to the
100 contrary, no revision to the rate of levy for personal property shall cause such levy to increase
101 over the levy for personal property from the prior year.

102 3. (1) Where the taxing authority is a school district, it shall be required to revise the
103 rates of levy to the extent necessary to produce from all taxable property, including state-
104 assessed railroad and utility property, which shall be separately estimated in addition to other
105 data required in complying with section 164.011, substantially the amount of tax revenue
106 permitted in this section. In the year following tax rate reduction, the tax rate ceiling may be
107 adjusted to offset such district's reduction in the apportionment of state school moneys due to
108 its reduced tax rate. However, in the event any school district, in calculating a tax rate ceiling
109 pursuant to this section, requiring the estimating of effects of state-assessed railroad and
110 utility valuation or loss of state aid, discovers that the estimates used result in receipt of
111 excess revenues, which would have required a lower rate if the actual information had been
112 known, the school district shall reduce the tax rate ceiling in the following year to compensate
113 for the excess receipts, and the recalculated rate shall become the tax rate ceiling for purposes
114 of this section.

115 (2) For any political subdivision which experiences a reduction in the amount of
116 assessed valuation relating to a prior year, due to decisions of the state tax commission or a
117 court pursuant to sections 138.430 to 138.433, or due to clerical errors or corrections in the
118 calculation or recordation of any assessed valuation:

119 (a) Such political subdivision may revise the tax rate ceiling for each purpose it levies
120 taxes to compensate for the reduction in assessed value occurring after the political
121 subdivision calculated the tax rate ceiling for the particular subclass of real property or for
122 personal property, in the aggregate, in a prior year. Such revision by the political subdivision
123 shall be made at the time of the next calculation of the tax rate for the particular subclass of
124 real property or for personal property, in the aggregate, after the reduction in assessed
125 valuation has been determined and shall be calculated in a manner that results in the revised
126 tax rate ceiling being the same as it would have been had the corrected or finalized assessment
127 been available at the time of the prior calculation;

128 (b) In addition, for up to three years following the determination of the reduction in
129 assessed valuation as a result of circumstances defined in this subdivision, such political
130 subdivision may levy a tax rate for each purpose it levies taxes above the revised tax rate
131 ceiling provided in paragraph (a) of this subdivision to recoup any revenues it was entitled to
132 receive had the corrected or finalized assessment been available at the time of the prior
133 calculation.

134 4. (1) In order to implement the provisions of this section and Section 22 of Article X
135 of the Constitution of Missouri, the term improvements shall apply to both real and personal
136 property. In order to determine the value of new construction and improvements, each county
137 assessor shall maintain a record of real property valuations in such a manner as to identify
138 each year the increase in valuation for each political subdivision in the county as a result of
139 new construction and improvements. The value of new construction and improvements shall
140 include the additional assessed value of all improvements or additions to real property which
141 were begun after and were not part of the prior year's assessment, except that the additional
142 assessed value of all improvements or additions to real property which had been totally or
143 partially exempt from ad valorem taxes pursuant to sections 99.800 to 99.865, sections
144 135.200 to 135.255, and section 353.110 shall be included in the value of new construction
145 and improvements when the property becomes totally or partially subject to assessment and
146 payment of all ad valorem taxes. The aggregate increase in valuation of personal property for
147 the current year over that of the previous year is the equivalent of the new construction and
148 improvements factor for personal property. ~~[Notwithstanding any opt out implemented~~
149 ~~pursuant to subsektion 14 of section 137.115,]~~ The assessor shall certify the amount of new
150 construction and improvements and the amount of assessed value on any real property which
151 was assessed by the assessor of a county or city in such previous year but is assessed by the
152 assessor of a county or city in the current year in a different subclass of real property
153 separately for each of the three subclasses of real property for each political subdivision to the
154 county clerk in order that political subdivisions shall have this information for the purpose of
155 calculating tax rates pursuant to this section and Section 22, Article X, Constitution of
156 Missouri. In addition, the state tax commission shall certify each year to each county clerk
157 the increase in the general price level as measured by the Consumer Price Index for All Urban
158 Consumers for the United States, or its successor publications, as defined and officially
159 reported by the United States Department of Labor, or its successor agency. The state tax
160 commission shall certify the increase in such index on the latest twelve-month basis available
161 on February first of each year over the immediately preceding prior twelve-month period in
162 order that political subdivisions shall have this information available in setting their tax rates
163 according to law and Section 22 of Article X of the Constitution of Missouri. For purposes of
164 implementing the provisions of this section and Section 22 of Article X of the Missouri

165 Constitution, the term "property" means all taxable property, including state-assessed
166 property.

167 (2) Each political subdivision required to revise rates of levy pursuant to this section
168 or Section 22 of Article X of the Constitution of Missouri shall calculate each tax rate it is
169 authorized to levy and, in establishing each tax rate, shall consider each provision for tax rate
170 revision provided in this section and Section 22 of Article X of the Constitution of Missouri,
171 separately and without regard to annual tax rate reductions provided in section 67.505 and
172 section 164.013. Each political subdivision shall set each tax rate it is authorized to levy
173 using the calculation that produces the lowest tax rate ceiling. It is further the intent of the
174 general assembly, pursuant to the authority of Section 10(c) of Article X of the Constitution
175 of Missouri, that the provisions of such section be applicable to tax rate revisions mandated
176 pursuant to Section 22 of Article X of the Constitution of Missouri as to reestablishing tax
177 rates as revised in subsequent years, enforcement provisions, and other provisions not in
178 conflict with Section 22 of Article X of the Constitution of Missouri. Annual tax rate
179 reductions provided in section 67.505 and section 164.013 shall be applied to the tax rate as
180 established pursuant to this section and Section 22 of Article X of the Constitution of
181 Missouri, unless otherwise provided by law.

182 5. (1) In all political subdivisions, the tax rate ceiling established pursuant to this
183 section shall not be increased unless approved by a vote of the people. Approval of the higher
184 tax rate shall be by at least a majority of votes cast. When a proposed higher tax rate requires
185 approval by more than a simple majority pursuant to any provision of law or the constitution,
186 the tax rate increase must receive approval by at least the majority required.

187 (2) When voters approve an increase in the tax rate, the amount of the increase shall
188 be added to the tax rate ceiling as calculated pursuant to this section to the extent the total rate
189 does not exceed any maximum rate prescribed by law. If a ballot question presents a stated
190 tax rate for approval rather than describing the amount of increase in the question, the stated
191 tax rate approved shall be adjusted as provided in this section and, so adjusted, shall be the
192 current tax rate ceiling. The increased tax rate ceiling as approved shall be adjusted such that
193 when applied to the current total assessed valuation of the political subdivision, excluding
194 new construction and improvements since the date of the election approving such increase,
195 the revenue derived from the adjusted tax rate ceiling is equal to the sum of: the amount of
196 revenue which would have been derived by applying the voter-approved increased tax rate
197 ceiling to total assessed valuation of the political subdivision, as most recently certified by the
198 city or county clerk on or before the date of the election in which such increase is approved,
199 increased by the percentage increase in the consumer price index, as provided by law. Such
200 adjusted tax rate ceiling may be applied to the total assessed valuation of the political
201 subdivision at the setting of the next tax rate. If a ballot question presents a phased-in tax rate

202 increase, upon voter approval, each tax rate increase shall be adjusted in the manner
203 prescribed in this section to yield the sum of: the amount of revenue that would be derived by
204 applying such voter-approved increased rate to the total assessed valuation, as most recently
205 certified by the city or county clerk on or before the date of the election in which such
206 increase was approved, increased by the percentage increase in the consumer price index, as
207 provided by law, from the date of the election to the time of such increase and, so adjusted,
208 shall be the current tax rate ceiling.

209 (3) The governing body of any political subdivision may levy a tax rate lower than its
210 tax rate ceiling and may, in a nonreassessment year, increase that lowered tax rate to a level
211 not exceeding the tax rate ceiling without voter approval in the manner provided under
212 subdivision (4) of this subsection. Nothing in this section shall be construed as prohibiting a
213 political subdivision from voluntarily levying a tax rate lower than that which is required
214 under the provisions of this section or from seeking voter approval of a reduction to such
215 political subdivision's tax rate ceiling.

216 (4) In a year of general reassessment, a governing body whose tax rate is lower than
217 its tax rate ceiling shall revise its tax rate pursuant to the provisions of subsection 4 of this
218 section as if its tax rate was at the tax rate ceiling. In a year following general reassessment, if
219 such governing body intends to increase its tax rate, the governing body shall conduct a
220 public hearing, and in a public meeting it shall adopt an ordinance, resolution, or policy
221 statement justifying its action prior to setting and certifying its tax rate. The provisions of this
222 subdivision shall not apply to any political subdivision which levies a tax rate lower than its
223 tax rate ceiling solely due to a reduction required by law resulting from sales tax collections.
224 The provisions of this subdivision shall not apply to any political subdivision which has
225 received voter approval for an increase to its tax rate ceiling subsequent to setting its most
226 recent tax rate.

227 6. (1) For the purposes of calculating state aid for public schools pursuant to section
228 163.031, each taxing authority which is a school district shall determine its proposed tax rate
229 as a blended rate of the classes or subclasses of property. Such blended rate shall be
230 calculated by first determining the total tax revenue of the property within the jurisdiction of
231 the taxing authority, which amount shall be equal to the sum of the products of multiplying
232 the assessed valuation of each class and subclass of property by the corresponding tax rate for
233 such class or subclass, then dividing the total tax revenue by the total assessed valuation of
234 the same jurisdiction, and then multiplying the resulting quotient by a factor of one hundred.
235 Where the taxing authority is a school district, such blended rate shall also be used by such
236 school district for calculating revenue from state-assessed railroad and utility property as
237 defined in chapter 151 and for apportioning the tax rate by purpose.

(2) Each taxing authority proposing to levy a tax rate in any year shall notify the clerk of the county commission in the county or counties where the tax rate applies of its tax rate ceiling and its proposed tax rate. Each taxing authority shall express its proposed tax rate in a fraction equal to the nearest one-tenth of a cent, unless its proposed tax rate is in excess of one dollar, then one/one-hundredth of a cent. If a taxing authority shall round to one/one-hundredth of a cent, it shall round up a fraction greater than or equal to five/one-thousandth of one cent to the next higher one/one-hundredth of a cent; if a taxing authority shall round to one-tenth of a cent, it shall round up a fraction greater than or equal to five/one-hundredths of a cent to the next higher one-tenth of a cent. Any taxing authority levying a property tax rate shall provide data, in such form as shall be prescribed by the state auditor by rule, substantiating such tax rate complies with Missouri law. All forms for the calculation of rates pursuant to this section shall be promulgated as a rule and shall not be incorporated by reference. The state auditor shall promulgate rules for any and all forms for the calculation of rates pursuant to this section which do not currently exist in rule form or that have been incorporated by reference. In addition, each taxing authority proposing to levy a tax rate for debt service shall provide data, in such form as shall be prescribed by the state auditor by rule, substantiating the tax rate for debt service complies with Missouri law. A tax rate proposed for annual debt service requirements will be *prima facie* valid if, after making the payment for which the tax was levied, bonds remain outstanding and the debt fund reserves do not exceed the following year's payments. The county clerk shall keep on file and available for public inspection all such information for a period of three years. The clerk shall, within three days of receipt, forward a copy of the notice of a taxing authority's tax rate ceiling and proposed tax rate and any substantiating data to the state auditor. The state auditor shall, within fifteen days of the date of receipt, examine such information and return to the county clerk his or her findings as to compliance of the tax rate ceiling with this section and as to compliance of any proposed tax rate for debt service with Missouri law. If the state auditor believes that a taxing authority's proposed tax rate does not comply with Missouri law, then the state auditor's findings shall include a recalculated tax rate, and the state auditor may request a taxing authority to submit documentation supporting such taxing authority's proposed tax rate. The county clerk shall immediately forward a copy of the auditor's findings to the taxing authority and shall file a copy of the findings with the information received from the taxing authority. The taxing authority shall have fifteen days from the date of receipt from the county clerk of the state auditor's findings and any request for supporting documentation to accept or reject in writing the rate change certified by the state auditor and to submit all requested information to the state auditor. A copy of the taxing authority's acceptance or rejection and any information submitted to the state auditor shall also be mailed to the county clerk. If a taxing authority rejects a rate change certified by the state auditor and the state auditor does not receive

275 supporting information which justifies the taxing authority's original or any subsequent
276 proposed tax rate, then the state auditor shall refer the perceived violations of such taxing
277 authority to the attorney general's office and the attorney general is authorized to obtain
278 injunctive relief to prevent the taxing authority from levying a violative tax rate.

279 (3) In the event that the taxing authority incorrectly completes the forms created and
280 promulgated under subdivision (2) of this subsection, or makes a clerical error, the taxing
281 authority may submit amended forms with an explanation for the needed changes. If such
282 amended forms are filed under regulations prescribed by the state auditor, the state auditor
283 shall take into consideration such amended forms for the purposes of this subsection.

284 7. No tax rate shall be extended on the tax rolls by the county clerk unless the political
285 subdivision has complied with the foregoing provisions of this section.

286 8. Whenever a taxpayer has cause to believe that a taxing authority has not complied
287 with the provisions of this section, the taxpayer may make a formal complaint with the
288 prosecuting attorney of the county. Where the prosecuting attorney fails to bring an action
289 within ten days of the filing of the complaint, the taxpayer may bring a civil action pursuant to
290 this section and institute an action as representative of a class of all taxpayers within a taxing
291 authority if the class is so numerous that joinder of all members is impracticable, if there are
292 questions of law or fact common to the class, if the claims or defenses of the representative
293 parties are typical of the claims or defenses of the class, and if the representative parties will
294 fairly and adequately protect the interests of the class. In any class action maintained
295 pursuant to this section, the court may direct to the members of the class a notice to be
296 published at least once each week for four consecutive weeks in a newspaper of general
297 circulation published in the county where the civil action is commenced and in other counties
298 within the jurisdiction of a taxing authority. The notice shall advise each member that the
299 court will exclude him or her from the class if he or she so requests by a specified date, that
300 the judgment, whether favorable or not, will include all members who do not request
301 exclusion, and that any member who does not request exclusion may, if he or she desires,
302 enter an appearance. In any class action brought pursuant to this section, the court, in
303 addition to the relief requested, shall assess against the taxing authority found to be in
304 violation of this section the reasonable costs of bringing the action, including reasonable
305 attorney's fees, provided no attorney's fees shall be awarded any attorney or association of
306 attorneys who receive public funds from any source for their services. Any action brought
307 pursuant to this section shall be set for hearing as soon as practicable after the cause is at
308 issue.

309 9. If in any action, including a class action, the court issues an order requiring a taxing
310 authority to revise the tax rates as provided in this section or enjoins a taxing authority from
311 the collection of a tax because of its failure to revise the rate of levy as provided in this

312 section, any taxpayer paying his or her taxes when an improper rate is applied has erroneously
313 paid his or her taxes in part, whether or not the taxes are paid under protest as provided in
314 section 139.031 or otherwise contested. The part of the taxes paid erroneously is the
315 difference in the amount produced by the original levy and the amount produced by the
316 revised levy. The township or county collector of taxes or the collector of taxes in any city
317 shall refund the amount of the tax erroneously paid. The taxing authority refusing to revise
318 the rate of levy as provided in this section shall make available to the collector all funds
319 necessary to make refunds pursuant to this subsection. No taxpayer shall receive any interest
320 on any money erroneously paid by him or her pursuant to this subsection. Effective in the
321 1994 tax year, nothing in this section shall be construed to require a taxing authority to refund
322 any tax erroneously paid prior to or during the third tax year preceding the current tax year.
323

324 10. Any rule or portion of a rule, as that term is defined in section 536.010, that is
325 created under the authority delegated in this section shall become effective only if it complies
326 with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028.
327 This section and chapter 536 are nonseverable and if any of the powers vested with the
328 general assembly pursuant to chapter 536 to review, to delay the effective date, or to
329 disapprove and annul a rule are subsequently held unconstitutional, then the grant of
330 rulemaking authority and any rule proposed or adopted after August 28, 2004, shall be invalid
and void.

137.079. Prior to setting its ~~rate of~~ rates as required by section 137.073, each taxing
2 authority shall exclude from its total assessed valuation seventy-two percent of the total
3 amount of assessed value of business personal property that is the subject of an appeal at the
4 state tax commission or in a court of competent jurisdiction in this state. This exclusion shall
5 only apply to the portion of the assessed value of business personal property that is disputed
6 in the appeal, and shall not exclude any portion of the same property that is not disputed. ~~If~~
7 ~~the taxing authority uses a multirate approach~~ **For the purpose of setting rates** as provided
8 in section 137.073, this exclusion shall be made from the personal property class. The state
9 tax commission shall provide each taxing authority with the total assessed value of business
10 personal property within the jurisdiction of such taxing authority for which an appeal is
11 pending no later than August twentieth of each year. Whenever any appeal is resolved,
12 whether by final adjudication or settlement, and the result of the appeal causes money to be
13 paid to the taxing authority, the taxing authority shall not be required to make an additional
14 adjustment to its rate or rates due to such payment once the deadline for setting its rates, as
15 provided by this chapter, has passed in a taxable year, but shall adjust its rate or rates due to
16 such payment in the next rate setting cycle to offset the payment in the next taxable year. For
17 the purposes of this section, the term "business personal property" means tangible personal
18 property which is used in a trade or business or used for production of income and which has

19 a determinable life of longer than one year except that supplies used by a business shall also
20 be considered business personal property, but shall not include livestock, farm machinery,
21 property subject to the motor vehicle registration provisions of chapter 301, property subject
22 to the tables provided in section 137.078, the property of rural electric cooperatives under
23 chapter 394, or property assessed by the state tax commission under chapters 151, 153, and
24 155, section 137.022, and sections 137.1000 to 137.1030.

137.115. 1. (1) All other laws to the contrary notwithstanding, the assessor or the
2 assessor's deputies in all counties of this state including the City of St. Louis shall annually
3 make a list of all real and tangible personal property taxable in the assessor's city, county,
4 town or district.

5 (2) Except as otherwise provided in subsection 3 of this section and section 137.078,
6 the assessor shall annually assess all personal property at thirty-three and one-third percent of
7 its true value in money as of January first of each calendar year.

8 (3) The assessor shall annually assess all real property, including any new
9 construction and improvements to real property, and possessory interests in real property at
10 the percent of its true value in money set in subsection 5 of this section. The true value in
11 money of any possessory interest in real property in subclass (3), where such real property is
12 on or lies within the ultimate airport boundary as shown by a federal airport layout plan, as
13 defined by 14 CFR 151.5, of a commercial airport having a FAR Part 139 certification and
14 owned by a political subdivision, shall be the otherwise applicable true value in money of any
15 such possessory interest in real property, less the total dollar amount of costs paid by a party,
16 other than the political subdivision, towards any new construction or improvements on such
17 real property completed after January 1, 2008, and which are included in the above-
18 mentioned possessory interest, regardless of the year in which such costs were incurred or
19 whether such costs were considered in any prior year. The assessor shall annually assess all
20 real property in the following manner: new assessed values shall be determined as of January
21 first of each odd-numbered year and shall be entered in the assessor's books; those same
22 assessed values shall apply in the following even-numbered year, except for new construction
23 and property improvements which shall be valued as though they had been completed as of
24 January first of the preceding odd-numbered year. The assessor may call at the office, place
25 of doing business, or residence of each person required by this chapter to list property, and
26 require the person to make a correct statement of all taxable tangible personal property owned
27 by the person or under his or her care, charge or management, taxable in the county.

28 (4) On or before January first of each even-numbered year, the assessor shall prepare
29 and submit a two-year assessment maintenance plan to the county governing body and the
30 state tax commission for their respective approval or modification. The county governing
31 body shall approve and forward such plan or its alternative to the plan to the state tax

32 commission by February first. If the county governing body fails to forward the plan or its
33 alternative to the plan to the state tax commission by February first, the assessor's plan shall
34 be considered approved by the county governing body. If the state tax commission fails to
35 approve a plan and if the state tax commission and the assessor and the governing body of the
36 county involved are unable to resolve the differences, in order to receive state cost-share
37 funds outlined in section 137.750, the county or the assessor shall petition the administrative
38 hearing commission, by May first, to decide all matters in dispute regarding the assessment
39 maintenance plan. Upon agreement of the parties, the matter may be stayed while the parties
40 proceed with mediation or arbitration upon terms agreed to by the parties. The final decision
41 of the administrative hearing commission shall be subject to judicial review in the circuit
42 court of the county involved.

43 **(5)** In the event a valuation of subclass (1) real property within any county with a
44 charter form of government, or within a city not within a county, is made by a computer,
45 computer-assisted method or a computer program, the burden of proof, supported by clear,
46 convincing and cogent evidence to sustain such valuation, shall be on the assessor at any
47 hearing or appeal. In any such county, unless the assessor proves otherwise, there shall be a
48 presumption that the assessment was made by a computer, computer-assisted method or a
49 computer program. Such evidence shall include, but shall not be limited to, the following:

50 **[+] (a)** The findings of the assessor based on an appraisal of the property by
51 generally accepted appraisal techniques; and

52 **[+] (b)** The purchase prices from sales of at least three comparable properties and
53 the address or location thereof. As used in this subdivision, the word "comparable" means
54 that:

55 **[+] a.** Such sale was closed at a date relevant to the property valuation; and

56 **[+] b.** Such properties are not more than one mile from the site of the disputed
57 property, except where no similar properties exist within one mile of the disputed property,
58 the nearest comparable property shall be used. Such property shall be within five hundred
59 square feet in size of the disputed property, and resemble the disputed property in age, floor
60 plan, number of rooms, and other relevant characteristics.

61 2. Assessors in each county of this state and the City of St. Louis may send personal
62 property assessment forms through the mail.

63 3. The following items of personal property shall each constitute separate subclasses
64 of tangible personal property and shall be assessed and valued for the purposes of taxation at
65 the following percentages of their true value in money:

66 (1) Grain and other agricultural crops in an unmanufactured condition, one-half of
67 one percent;

68 (2) Livestock, twelve percent;

69 (3) Farm machinery, twelve percent;
70 (4) Motor vehicles which are eligible for registration as and are registered as historic
71 motor vehicles pursuant to section 301.131 and aircraft which are at least twenty-five years
72 old and which are used solely for noncommercial purposes and are operated less than two
73 hundred hours per year or aircraft that are home built from a kit, five percent;

74 (5) Poultry, twelve percent;

75 (6) Tools and equipment used for pollution control and tools and equipment used in
76 retooling for the purpose of introducing new product lines or used for making improvements
77 to existing products by any company which is located in a state enterprise zone and which is
78 identified by any standard industrial classification number cited in subdivision (7) of section
79 135.200, twenty-five percent; and

80 (7) Solar panels, racking systems, inverters, and related solar equipment, components,
81 materials, and supplies installed in connection with solar photovoltaic energy systems, as
82 described in subdivision (46) of subsection 2 of section 144.030, that were constructed and
83 producing solar energy prior to August 9, 2022, five percent.

84 4. The person listing the property shall enter a true and correct statement of the
85 property, in a printed blank prepared for that purpose. The statement, after being filled out,
86 shall be signed and either affirmed or sworn to as provided in section 137.155. The list shall
87 then be delivered to the assessor.

88 5. (1) All subclasses of real property, as such subclasses are established in Section 4
89 (b) of Article X of the Missouri Constitution and defined in section 137.016, shall be assessed
90 at the following percentages of true value:

91 (a) For real property in subclass (1), nineteen percent;
92 (b) For real property in subclass (2), twelve percent; and
93 (c) For real property in subclass (3), thirty-two percent.

94 (2) A taxpayer may apply to the county assessor, or, if not located within a county,
95 then the assessor of such city, for the reclassification of such taxpayer's real property if the use
96 or purpose of such real property is changed after such property is assessed under the
97 provisions of this chapter. If the assessor determines that such property shall be reclassified,
98 he or she shall determine the assessment under this subsection based on the percentage of the
99 tax year that such property was classified in each subclassification.

100 6. Manufactured homes, as defined in section 700.010, which are actually used as
101 dwelling units shall be assessed at the same percentage of true value as residential real
102 property for the purpose of taxation. The percentage of assessment of true value for such
103 manufactured homes shall be the same as for residential real property. If the county collector
104 cannot identify or find the manufactured home when attempting to attach the manufactured
105 home for payment of taxes owed by the manufactured home owner, the county collector may

106 request the county commission to have the manufactured home removed from the tax books,
107 and such request shall be granted within thirty days after the request is made; however, the
108 removal from the tax books does not remove the tax lien on the manufactured home if it is
109 later identified or found. For purposes of this section, a manufactured home located in a
110 manufactured home rental park, rental community or on real estate not owned by the
111 manufactured home owner shall be considered personal property. For purposes of this
112 section, a manufactured home located on real estate owned by the manufactured home owner
113 may be considered real property.

114 7. Each manufactured home assessed shall be considered a parcel for the purpose of
115 reimbursement pursuant to section 137.750, unless the manufactured home is deemed to be
116 real estate as defined in subsection 7 of section 442.015 and assessed as a realty improvement
117 to the existing real estate parcel.

118 8. Any amount of tax due and owing based on the assessment of a manufactured
119 home shall be included on the personal property tax statement of the manufactured home
120 owner unless the manufactured home is deemed to be real estate as defined in subsection 7 of
121 section 442.015, in which case the amount of tax due and owing on the assessment of the
122 manufactured home as a realty improvement to the existing real estate parcel shall be
123 included on the real property tax statement of the real estate owner.

124 9. The assessor of each county and each city not within a county shall use a nationally
125 recognized automotive trade publication such as the National Automobile Dealers'
126 Association Official Used Car Guide, Kelley Blue Book, Edmunds, or other similar
127 publication as the recommended guide of information for determining the true value of motor
128 vehicles described in such publication. The state tax commission shall select and make
129 available to all assessors which publication shall be used. The assessor of each county and
130 each city not within a county shall use the trade-in value published in the current October
131 issue of the publication selected by the state tax commission. The assessor shall not use a
132 value that is greater than the average trade-in value in determining the true value of the motor
133 vehicle without performing a physical inspection of the motor vehicle. For vehicles two years
134 old or newer from a vehicle's model year, the assessor may use a value other than average
135 without performing a physical inspection of the motor vehicle. In the absence of a listing for
136 a particular motor vehicle in such publication, the assessor shall use such information or
137 publications that, in the assessor's judgment, will fairly estimate the true value in money of
138 the motor vehicle. For motor vehicles with a true value of less than fifty thousand dollars as
139 of January 1, 2025, the assessor shall not assess such motor vehicle for an amount greater
140 than such motor vehicle was assessed in the previous year, provided that such motor vehicle
141 was properly assessed in the previous year.

142 10. Before the assessor may increase the assessed valuation of any parcel of subclass
143 (1) real property by more than fifteen percent since the last assessment, excluding increases
144 due to new construction or improvements, the assessor shall conduct a physical inspection of
145 such property.

146 11. If a physical inspection is required, pursuant to subsection 10 of this section, the
147 assessor shall notify the property owner of that fact in writing and shall provide the owner
148 clear written notice of the owner's rights relating to the physical inspection. If a physical
149 inspection is required, the property owner may request that an interior inspection be
150 performed during the physical inspection. The owner shall have no less than thirty days to
151 notify the assessor of a request for an interior physical inspection.

152 12. A physical inspection, as required by subsection 10 of this section, shall include,
153 but not be limited to, an on-site personal observation and review of all exterior portions of the
154 land and any buildings and improvements to which the inspector has or may reasonably and
155 lawfully gain external access, and shall include an observation and review of the interior of
156 any buildings or improvements on the property upon the timely request of the owner pursuant
157 to subsection 11 of this section. Mere observation of the property via a drive-by inspection or
158 the like shall not be considered sufficient to constitute a physical inspection as required by
159 this section.

160 13. A county or city collector may accept credit cards as proper form of payment of
161 outstanding property tax or license due. No county or city collector may charge surcharge for
162 payment by credit card which exceeds the fee or surcharge charged by the credit card bank,
163 processor, or issuer for its service. A county or city collector may accept payment by
164 electronic transfers of funds in payment of any tax or license and charge the person making
165 such payment a fee equal to the fee charged the county by the bank, processor, or issuer of
166 such electronic payment.

167 14. ~~[Any county or city not within a county in this state may, by an affirmative vote of
the governing body of such county, opt out of the provisions of this section and sections
137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety first general
assembly, second regular session and section 137.073 as modified by house committee
substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety
second general assembly, second regular session, for the next year of the general
reassessment, prior to January first of any year. No county or city not within a county
shall exercise this opt out provision after implementing the provisions of this section and
sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety first
general assembly, second regular session and section 137.073 as modified by house
committee substitute for senate substitute for senate committee substitute for senate bill no.
960, ninety second general assembly, second regular session, in a year of general~~

179 reassessment. For the purposes of applying the provisions of this subsection, a political
180 subdivision contained within two or more counties where at least one of such counties has
181 opted out and at least one of such counties has not opted out shall calculate a single tax rate as
182 in effect prior to the enactment of house bill no. 1150 of the ninety first general assembly,
183 second regular session. A governing body of a city not within a county or a county that has
184 opted out under the provisions of this subsection may choose to implement the provisions of
185 this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of
186 the ninety first general assembly, second regular session, and section 137.073 as modified by
187 house committee substitute for senate substitute for senate committee substitute for senate bill
188 no. 960, ninety second general assembly, second regular session, for the next year of general
189 reassessment, by an affirmative vote of the governing body prior to December thirty first of
190 any year.

191 15. The governing body of any city of the third classification with more than twenty-
192 six thousand three hundred but fewer than twenty six thousand seven hundred inhabitants
193 located in any county that has exercised its authority to opt out under subsection 14 of this
194 section may levy separate and differing tax rates for real and personal property only if such
195 city bills and collects its own property taxes or satisfies the entire cost of the billing and
196 collection of such separate and differing tax rates. Such separate and differing rates shall not
197 exceed such city's tax rate ceiling] Beginning on January 1, 2027, each county and city not
198 within a county shall determine the assessed valuation, set and revise rates of levy, and
199 make adjustments to current levies required under Article X, Section 22 of the
200 Constitution of Missouri for each subclass of real property, individually, and personal
201 property, in the aggregate.

202 [16.] 15. Any portion of real property that is available as reserve for strip, surface, or
203 coal mining for minerals for purposes of excavation for future use or sale to others that has
204 not been bonded and permitted under chapter 444 shall be assessed based upon how the real
205 property is currently being used. Any information provided to a county assessor, state tax
206 commission, state agency, or political subdivision responsible for the administration of tax
207 policies shall, in the performance of its duties, make available all books, records, and
208 information requested, except such books, records, and information as are by law declared
209 confidential in nature, including individually identifiable information regarding a specific
210 taxpayer or taxpayer's mine property. For purposes of this subsection, "mine property" shall
211 mean all real property that is in use or readily available as a reserve for strip, surface, or coal
212 mining for minerals for purposes of excavation for current or future use or sale to others that
213 has been bonded and permitted under chapter 444.